

Message Text

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ACTION NEA-10

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PRS-01 SP-02 SS-15 USIA-06 OMB-01 DHA-02 CU-02 /074 W

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R 091050Z JAN 76

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 3568

INFO AMEMBASSY NEW DELHI

AMEMBASSY KABUL

AMCONSUL KARACHI

AMCONSUL LAHORE

C O N F I D E N T I A L SECTION 1 OF 2 ISLAMABAD 0267

E.O. 11652: GDS

TAGS: PINT, PK

SUBJECT: PRIME MINISTER ANNOUNCES LABOR, LEGAL AND EDUCATION
REFORMS

BEING SUMMARY: EMBASSY AND CONSULATES GENERAL HAVE
ANALYZED SERIES OF GENERALLY POPULAR EDUCATION, LABOR
AND JUDICIAL REFORMS ANNOUNCED BY GOVERNMENT IN LATE
DECEMBER. LATEST MEASURES FOLLOW ABOLITION OF LAND
REVENUE TAXES IN NOVEMBER. GOVERNMENT HAS NOW ISSUED
ORDINANCE ESTABLISHING SPECIAL COURT TO TRY NATIONAL
SECURITY OFFENSES, RATHER THAN PRESENT SYSTEM OF
CONVENING AD HOC SPECIAL TRIBUNALS, AND PM, IN SPEECH
TO NATION DECEMBER 20, ANNOUNCED ADDITIONAL SWEEPING
LEGAL AND LABOR REFORMS.

REFORMS AGAIN PROVE THAT PM IS STILL ADROIT POLITICIAN
WHO CAN STRENGTHEN HIS POSITION AND REBOUND FROM LOSSES
IN A STYLE UNEXCELLED IN PAKISTAN. END SUMMARY.

1. LABOR - IN DECEMBER 20 SPEECH, BHUTTO GAVE GREATEST
EMPHASIS TO LABOR REFORMS. THE COUNTRY'S RETIREMENT
BENEFITS SCHEME WAS AMENDED TO GIVE WORKERS WITH 15 OR
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MORE YEARS SERVICE A MONTHLY STIPEND OF 75 RUPEES (\$7.50).

THE PLAN APPLIES TO ALL WORKERS EARNING UP TO 1,000 RUPEES PER MONTH, A DOUBLING OF FORMER CEILING. GOP BELIEVES SYSTEM WILL AFFECT 600,000 WORKERS, AN INCREASE OF 150,000 OVER PREVIOUS PLAN, BUT HAS NOT YET DETERMINED EVENTUAL COST TO EMPLOYERS WHO WILL FINANCE PROGRAM. MIN LABOR OFFICIAL HAS TOLD US HIS MINISTRY HAS ADVOCATED EXPANDED RETIREMENT SCHEME BECAUSE IF BELIEVES IT CANNOT CONTINUE TO INCREASE INDUSTRIAL WAGES WITHOUT FURTHER FUELING INFLATION. LABOR MINISTRY HOPES THE PLAN WILL THEREFORE DAMPEN LABOR'S DEMANDS FOR SALARY INCREASES.

2. PRIME MINISTER ANNOUNCED THAT IN INDUSTRIAL ESTABLISHMENTS WHERE THERE ARE ALREADY TWO OR MORE UNIONS, ANY NEW UNION, TO BE REGISTERED, MUST HAVE A MEMBERSHIP OF 20 PERCENT OF THE WORKERS. ALSO, A WORKER CAN NOW BELONG TO ONLY ONE UNION. LABOR MINISTRY OFFICIAL TELLS US GOP CONSIDERS THIS PROVISION ANTI-UNION BUT NOT ANTI-UNIONISM. THE PROLIFERATION OF TRADE UNIONS (FROM 6777 TO 7500 DURING 1975 ALONE), IS POTENTIALLY DISRUPTIVE BOTH POLITICALLY AND ECONOMICALLY AS UNIONS COMPETE FOR MEMBERSHIP. ALTHOUGH BURGEONING NUMBER OF UNIONS OBVIOUSLY POSES PRACTICAL PROBLEMS FOR GOVERNMENT, INDUSTRY AND LABOR LEADERS ALIKE, EMBASSY GIVES SOME CREDENCE TO OPPOSITION CLAIMS THAT NEW ORDINANCE ALSO AIMED AT RESTRICTING OPPOSITION ACTIVITIES WITHIN LABOR MOVEMENT BY RESTRICTING NUMBER OF UNIONS THEY CAN FORM.

3. BHUTTO ALSO SAID THAT WORKERS' REPRESENTATION ON FACTORY MANAGEMENT COMMITTEES WILL BE INCREASED FROM 20 TO 50 PERCENT AND THAT JOINT MANAGERIAL BOARDS, WITH 1/3 WORKERS' REPRESENTATION, WILL BE ESTABLISHED TO IMPROVE EFFICIENCY AND FIX JOB AND PIECE RATES. LABOR MINISTRY OFFICIAL CANDIDLY ADMITTED TO US THAT BOTH ORGANIZATIONS WILL PROBABLY BE INEFFECTUAL SINCE BOTH SIDES CAN AND FREQUENTLY DO TAKE THEIR DISAGREEMENTS TO A LABOR COURT FOR ADJUDICATION, RATHER THAN RELYING ON JOINT COMMITTEE PROCEDURES. BUSINESSMEN HAVE ALSO TOLD US THEY ARE NOT CONCERNED ABOUT INCREASED WORKERS' REPRESENTATION SINCE THEY ARE CONFIDENT THEY CAN CONTINUE TO MAKE NECESSARY

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"ARRANGEMENTS" WITH LABOR REPS TO AVOID CONFRONTATIONS IN COMMITTEES.

4. PM STATED THAT FEDERAL GOVERNMENT WOULD ADVISE PROVINCIAL GOVERNMENTS TO DISMISS LARGE NUMBER OF CASES PENDING AGAINST WORKERS. OUR MIN LABOR CONTACT SAYS CASES WILL BE DROPPED AGAINST OVER 2,500 WORKERS, BUT ACKNOWLEDGED THAT IN VAST MAJORITY

OF THESE CASES WORKERS
WERE ARRESTED FOR "RIOTING" - PAKISTANI EQUIVALENT OF
ILLEGAL PICKETING. ALTHOUGH SOME BUSINESSMEN HAVE EXPRESSED
CONCERN OVER DROPPING THE CASES, AND ACCORDING TO MIN
LABOR SOURCE, MINISTER OF INDUSTRIES AND HOME MINISTER
EXPRESSED MISGIVINGS OVER MOVE, MOST BUSINESSMEN SEEM
TO BELIEVE THIS WILL NOT AFFECT WORKERS' DISCIPLINE.

5. IN LABOR SECTION OF SPEECH, PRIME MINISTER ALSO SAID
THE GOVERNMENT WAS SETTING ASIDE 20,000 DEVELOPED PLOTS
FOR WORKERS' HOUSING, AND WOULD MAKE MORE FUNDS AVAILABLE
FOR EDUCATING WORKERS' CHILDREN. MIN LABOR CONTACT NOTES
THAT ALL REFORMS WERE RESULT OF MINISTRY STUDY TO IMPROVE
LABOR PRACTICES AND RECOMMENDATIONS WERE ACCEPTED IN
TOTO BY PM, ALTHOUGH RETIREMENT STIPEND SOMEWHAT REDUCED
FROM PROPOSED 100 RUPEES (\$10.00) PER MONTH.

6. LEGAL - LEGAL REFORMS ANNOUNCED BY BHUTTO WERE
CLEARLY DESIGNED TO FURTHER SEPARATE JUDICIAL AND
ADMINISTRATIVE FUNCTIONS AND TO STREAMLINE LEGAL PROCESSES.
PRIME MINISTER ANNOUNCED THAT AT LEAST 40 PERCENT OF MAGISTRATES
IN EACH DISTRICT WOULD HAVE ONLY JUDICIAL FUNCTIONS,
RATHER THAN COMBINED JUDICIAL/ADMINISTRATIVE FUNCTIONS
WHICH MAGISTRATES NOW HAVE. THE GOVERNMENT CONTENTS THAT
FREEDOM FROM EXECUTIVE DUTIES WILL ENABLE JUDICIAL
MAGISTRATES TO FUNCTION MORE INDEPENDENTLY AND EFFICIENTLY
AND ENABLE QUICKER RESOLUTION OF MOST CASES. MAGISTRATES
WILL ALSO BE GIVEN GREATER POWERS IN THAT SENTENCES THEY
CAN IMPOSE HAVE BEEN LENGTHENED AND FINES INCREASED.

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C O N F I D E N T I A L SECTION 2 OF 2 ISLAMABAD 0267

7. FURTHER LEGAL REFORM IS ABOLITION OF COMMITMENT PROCEEDINGS. UNDER OLD SYSTEM, A MAGISTRATE HAD FIRST TO MAKE COMPREHENSIVE INQUIRY INTO EVERY CASE THAT COULD BE TRIED BY A SESSIONS COURT. IF DUE CAUSE WAS FOUND, ACCUSED WAS THEN TRIED. SINCE PRELIMINARY INQUIRY HAD ALL THE INGREDIENTS OF A REGULAR TRIAL, CASES WERE OFTEN UNDULY DELAYED WITH RESULTANT INCONVENIENCE TO BOTH PARTIES. A FINAL LEGAL REFORM ANNOUNCED IN SPEECH ENABLES MAGISTRATE TO CONTINUE JUDICIAL PROCEEDINGS EVEN AFTER HE HAS BEEN NOTIFIED BY THE ACCUSED OF HIS INTENT TO FILE AN APPLICATION FOR CHANGE OF VENUE. UNDER PRESENT LAW, THE CASE HAD TO BE ADJOURNED UNTIL ACTION WAS TAKEN ON THE PETITION. THIS REFORM IS A FURTHER STEP TOWARD SIMPLIFYING JUDICIAL SYSTEM AND MAKING IT MORE EFFICIENT.

8. EMBASSY BELIEVES THE LEGAL REFORMS ARE LONG OVERDUE AND WILL HELP STREAMLINE JUDICIAL PROCEEDINGS AND MAKE THEM MORE EQUITABLE. CONGEN LAHORE REPORTS THAT REFORMS GENERALLY ACCEPTED BY LAWYERS AS LEGITIMATE STEPS TO IMPROVE HANDLING OF CRIMINAL CASES AND SPEED-UP OF JUDICIAL PROCESS ON OLD THEORY THAT JUSTICE DELAYED IS JUSTICE DENIED. KARACHI NOTES THAT ALTHOUGH THE BAR
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ASSOCIATIONS HAVE NOT YET COMMENTED ON THE REFORMS, A FEW LAWYERS HAVE MENTIONED PRIVATELY THAT CURBS ON INTERMINABLE CONTINUATIONS AND APPEALS WOULD CUT INTO THEIR INCOMES. IT IS ALSO WORTHWHILE TO NOTE THAT LEGAL REFORMS GENERALLY FOLLOWED LINES RECOMMENDED BY PRESTIGIOUS HAMOOD-UR-RAHMAN REPORT ON JUDICIAL REFORM IN PAKISTAN.

9. OTHER REFORMS - IN A SPEECH CONTAINING SOMETHING FOR EVERYONE, PRIME MINISTER ALSO ANNOUNCED 7,000 MORE HOSTEL ROOMS WOULD BE BUILT FOR STUDENTS, STUDENT TRANSPORTATION WOULD BE IMPROVED, AND NEW POSITION OF CHAIRMAN OF THE JOINT CHIEFS OF ARMED FORCES WOULD BE CREATED. LAST MOVE WAS LONG RUMORED AND MILITARY OBSERVERS EXPECT TIKKA KHAN TO BE APPOINTED. PRIME MINISTER ALSO REAFFIRMED OFT-REPEATED OFFER TO OPPOSITION TO ENGAGE IN DIALOGUE WITH THE GOVERNMENT. OFFER WAS PREDICTABLY REJECTED BY OPPOSITION LEADERS.

10. SPECIAL COURT - FURTHER LEGAL REFORM WAS ANNOUNCED

DECEMBER 29 WITH ESTABLISHMENT OF SPECIAL COURT TO TRY OFFENSES AGAINST NATIONAL SECURITY. PRESENTLY, SINCE THERE IS NO SPECIFIC COURT CHARGED WITH TRYING NATIONAL SECURITY CASES SUCH CASES HAVE BEEN TRIED BY AD HOC COURTS CONVENED FOR EACH SEPARATE CASE. THE ORDINANCE STATES THAT SPECIAL COURT WILL BE COMPOSED OF JUDGES SECONDED FROM HIGH COURTS, AND NOTES THAT SPECIAL COURT JUDGMENTS CAN BE APPEALED TO SUPREME COURT. THE GOVERNMENT CONTENTS THAT COURT'S MEMBERSHIP AND THE GUARANTEE OF RIGHT OF APPEAL ENSURES THAT RIGHTS OF ACCUSED WILL BE PROTECTED. EMBASSY BELIEVES TIMING OF ORDINANCE TIED TO TRIAL OF EX-NAP LEADER WALI KHAN AND HIS CO-DEFENDANTS IN SUKKUR. SPECIAL TRIBUNAL HEARING HIS CASE, WITH LOWER COURT JUDGE IN THE CHAIR, HAS BEEN DISSOLVED AND JURISDICTION GIVEN TO SPECIAL COURT.

11. MANY POLITICAL OBSERVERS BELIEVE ANNOUNCED REFORMS ARE FURTHER PROOF THAT BHUTTO SERIOUSLY CONSIDERING CALLING ELECTIONS FOR 1976, IN ADVANCE OF CONSTITUTIONALLY IMPOSED TIME LIMIT. CONGEN KARACHI NOTES THAT LAND REVENUE REFORMS, PARTY BUILDING TRIPS IN SIND AND

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PUNJAB, PASSAGE OF FOURTH AMENDMENT AND DECEMBER 20 SPEECH ARE ALL SEEN AS EFFORTS BY PM TO BUILD ORGANIZATIONAL STRENGTH AND ELECTORAL SUPPORT. LAHORE REPORTS BHUTTO HAS PERFORMED STRONGLY IN PUNJAB IN RECENT MONTHS AND PARTY REORGANIZATION TOURS AND REFORM ANNOUNCEMENTS HAVE RECOUPED HIS POSITION WHICH HAD ERODED DURING LAHORE BY-ELECTION. HOWEVER HE STILL HAS TO FACE ECONOMIC PROBLEMS IN PUNJAB AND CONTENTION VOICED IN RECENT PAKISTAN TIMES EDITORIAL THAT BHUTTO'S SPEECH MARKED TURNING POINT FOR "NEW LEAP" IN COUNTRY'S DEVELOPMENT IS PREMATURE.

12. EMBASSY BELIEVES THAT FLURRY OF REFORMS WERE GENERALLY WELL-RECEIVED, POLITICALLY POPULAR AND REPRESENTED NEEDED CHANGES IN LEGAL, LABOR AND ADMINISTRATIVE SECTORS. REGARDLESS OF WHETHER THEY ARE PRELUDE TO EARLY GENERAL ELECTION - WHICH EMBASSY HAS REASON TO DOUBT - THEY HAVE PROVEN PRIME MINISTER IS STILL CONSUMMATE POLITICIAN WHOSE POLITICAL FEEL, CONTROL AND AUTHORITY, AND ABILITY TO REBOUND FROM SETBACKS, ARE UNSURPASSED IN PAKISTAN.

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